

**GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA**

UNSTARRED QUESTION NO:3699

ANSWERED ON:08.12.2016

Direct Transfer of Funds to District Panchayats

Khuba Shri Bhagwanth;Mishra Shri Bhairon Prasad

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) the new measures taken by the Government to make village Panchayats more powerful;
- (b) whether the Union Government release funds directly to the district panchayat along with Gram Panchayats;
- (c) if so, the details thereof;
- (d) whether the Union Government proposes to modify the present procedure for allocation of funds to various States on the basis of the review made by NITI Ayog in this regard; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PANCHAYATI RAJ
(SHRI PARSHOTTAM RUPALA)

(a) : With a view to empower and strengthen the Panchayats, the Government is providing (i) substantial grants to the tune of Rs 2,00,292.20 crore exclusively for the Gram Panchayats (GPs) constituted under Part IX of the Constitution, over a period of five years under the Fourteenth Finance Commission (FFC) award (years 2015-2020) for delivering basic civic services, creation of reliable database of local bodies' receipts & expenditure through audited accounts and for improvement of own source revenues of the local bodies; (ii) proactive support to the States to develop participatory local convergent development plans and institutional support structures in order to utilize the funds available with Panchayats optimally; (iii) support to the States to develop budgeting, accounting and auditing manuals to improve the financial management of Panchayats; (iv) financial support for capacity building of the various stakeholders of Panchayats; and (v) capacity building support for use of information and communication technology tools to bring in transparency, efficiency and accountability in the functioning of Panchayats.

(b) & (c): Under the FFC award, these grants are being provided only to the GPs as they are directly responsible for delivery of basic services without any share to other levels. The grants are released by the Union Government to the State Government for onward transfer to the GPs in accordance with the guidelines for release and utilization of grants issued by the Ministry of Finance dated 8-10-2015.

(d) : There is no such proposal.

(e) : Does not arise.
